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C O N F I D E N T I A L SECTION 01 OF 02 COLOMBO 001597

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DEPARTMENT FOR SA, SA/INS, IO, IO/T, INL/C/CJ

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TAGS: [PREL](#) [SNAR](#) [AORC](#) [IR](#) [CE](#)

SUBJECT: COLOMBO PLAN: SUGGESTED ADJUSTMENTS TO US-PROPOSED AMENDMENT

REF: A. STATE 184616 (NOTAL)

[1](#)B. STATE 180466 (NOTAL)

[1](#)C. COLOMBO 1173

Classified By: Ambassador Jeffrey J. Lunstead. 1.4(b,d)

[1](#)1. (U) This is an Action Request -- please see Para 8.

[1](#)2. (U) BACKGROUND ON THE AMENDMENT: The Colombo Plan Working group, created to discuss a proposed constitutional amendment on financial arrears, met on September 24. In addition to the Secretary General and the Maldivian High Commissioner, acting as President of the Council, representatives from Korea, Pakistan, Nepal, Burma, Iran, Thailand, and Japan also attended. During a briefing on the history of the amendment, the Secretary General made the point that the annual dues (14,500 USD) covered only the Secretariat's administrative costs. The costs for the major

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programmatic components of the Colombo Plan were borne by the various member countries.

[1](#)3. (U) Responding to a request by the Council President to brief on the U.S. amendment, poloff shared with the attendees that the United States was committed to ensuring member states' duty to pay the annual dues, but not at the expense of the loss of significant training and development opportunities for the citizens of those countries. Building on the spirit of consensus of the organization, the United States' proposed amendment removed the right of countries in arrears to participate in such consensus decision-making.

[1](#)4. (C) SUPPORT FOR THE U.S. AMENDMENT: Nepal, Iran, and Pakistan expressed their support for the U.S. amendment, with the Pakistani representative noting that the U.S. amendment distinguished between restricting a country's administrative rights -- which the dues support -- and restricting a country's access to Colombo Plan programs -- funded separately from annual dues. He also noted the U.S. proposal was in line with United Nations' principles on the issue of dealing with arrears. Via letter to the Secretary General, the Government of Bhutan also indicated its support for the U.S. amendment. Notwithstanding their view of the amendment, several countries requested that the term "calendar year" in the U.S. suggested wording be changed to "fiscal year." Poloff responded that the U.S. would not have an issue with this change. The Japanese representative said he did not have specific instructions from Tokyo, but that Japan generally respected the consensus opinion. He pointed out that, given the old amendment's focus on the right to participate in program activities versus the U.S. proposal focused on the right of decision making, he thought the former type of sanction could be more effective in making member states pay their arrears.

[1](#)5. (C) SUGGESTED CHANGES TO THE U.S. AMENDMENT: The representative from Thailand suggested changes to the U.S. amendment, notably that U.S. proposed wording "lose its right to participate in decision taking" be altered to "not be able to participate in program activities, except at its own expense." Full text of Thailand's proposed changes follow in para 6 below. (Poloff noted that the U.S.' position was intended not to block participants from training opportunities and did not know how Washington would respond to this suggestion.) The Pakistani representative noted that the suggested change by Thailand was troubling in that it restricted program opportunities again. The Secretary General said the proposed change in wording could represent a compromise that would allow member countries to retain the right of membership by not barring their right of decision making and still allow access to training opportunities (if the member countries paid their own way). In a response to a question from poloff regarding the point at which a member country's financial support for access to training would outweigh the amount of annual dues, the Secretary General said that for the annual 14,500 USD contribution, on average, member states receive 50-60 scholarships valued at 2,000-2,500 USD each (100,000-150,000 USD).

[1](#)6. (SBU) Begin text of changes proposed by Thailand:
"A Member Government that is in arrears in the payment of its

assessed financial contributions to the organization shall not be able to participate in program activities, except at its own expense if the amount of its arrears equals or exceeds the amount of the contributions due from it for the two preceding financial years. The Council may, nevertheless, permit such a Member Government to participate in program activities if it is satisfied that the Member Government's failure to pay is due to conditions beyond the control of the Member Government and upon agreement to an approved amortization plan to repay all outstanding contributions. A Member Government's participation in program activities shall be restored, as long as payments pursuant to such a plan continue to be paid. Such an amortization plan should not exceed seven years in length."

End text of proposed changes.

17. (U) The member countries took note of the proposed change by Thailand, the comments by the Secretary General and said they would have to discuss it with their capitals. At the end of the meeting, the Secretary General said that he would not set a date for the next working group meeting at that time, but would wait to hear informally that the representatives present had heard back from their capitals on these developments.

18. (C) ACTION REQUEST: Mission requests Department guidance on a response to the suggested wording change by Thailand. The Secretary General is keen for a compromise to resolve this multiple-year discussion on the issue of the amendment and the Thai suggested changes may represent that compromise. Mission notes, however, it is unclear that member countries in arrears would actually pay for their nationals to participate in programs in the absence of financial support from the organization. Unless the defaulting governments pay for such participation, the de facto result of Thailand's proposed amendment would be that those citizens who would most benefit from the programs are denied the opportunity because their government is in arrears. If Department feels that the Thai proposed amendment is not acceptable, Department may wish to consider a demarche in Bangkok, which would probably have more effect than a representation here to the Thai Embassy. END ACTION REQUEST.
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